GOVERNMENT OF INDIA
MICRO, SMALL AND MEDIUM ENTERPRISES
LOK SABHA

UNSTARRED QUESTION NO:1581
ANSWERED ON:27.11.2007
REVIVAL OF SMALL SCALE INDUSTRIES
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Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state:

(a) the details of the various schemes implemented by the Government for the revival of small scale industries;

(b) the number of small scale industries which got revival package as a result of implementation of the above schemes, State-wise, Union Territory-wise and industry-wise; and

(c) the total contribution of the small industries to the Gross Domestic Product of the country, State-wise and Union Territory-wise?

Answer

MINISTER OF MICRO, SMALL AND MEDIUM ENTERPRISES (SHRI MAHABIR PRASAD)

(a) & (b): The Ministry of Micro, Small and Medium Enterprises does not provide any direct financial assistance for rehabilitation of sick micro and small enterprises(MSEs). However, financial assistance, by way of debt restructuring, including fresh loans, for the rehabilitation of sick MSE is provided by the primary lending institutions (PLI), including commercial banks, which provide credit to the MSEs. For this purpose, the Reserve Bank of India (RBI) has issued detailed guidelines to banks in January 2002 on detection of sickness in MSE at an early stage and taking remedial measures and for rehabilitation of sick MSEs identified as potentially viable. Further, RBI has issued guidelines on 8th September 2005, based on the "Policy Package for Stepping up Credit to Small and Medium Enterprises (SMEs)" announced by the Central Government on 10th August 2005. These guidelines relate, inter alia, to viability criteria, prudential norms for restructured accounts, provision of additional finance and time frame for working out the restructuring package and its implementation.

As per the data compiled by the RBI from the scheduled commercial banks, 588 viable sick MSEs were put under nursing at the end of March 2007. The State/Union Territory-wise position is given at Annexure. The industry-wise information on sick MSEs put under nursing is not compiled by the RBI.

(c): The total contribution of MSE sector to the Gross Domestic Product (GDP) of the country during the year 2005-06 (latest available) is estimated at 5.83 per cent. The contribution of MSE sector to the GDP, State/UT-wise, is not maintained centrally.